

CHAPTER 24. SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS.

Subchapter K. Enforcement, Supervision and Receivership

§24.364. Civil Penalties for Late Fees and Disconnections During an Extreme Weather Emergency for Nonpayment.

- (a) **Scope.** This section establishes a classification system to be used by a court to impose civil penalties for violations of §24.173 of this title (relating to Late Fees and Disconnections During an Extreme Weather Emergency for Nonpayment). Definitions contained in §24.173 of this title apply to this section.
- (b) **Classification system.**
- (1) **Class C violations.**
- (A) Civil penalties for a Class C violation may not exceed \$1,000 per violation per day.
- (B) The following are Class C violations:
- (i) failure to timely provide a customer with a one-time notice that complies with §24.173 of this title;
- (ii) failure to include all of the required information on a payment arrangement offered under §24.173 of this title.
- (2) **Class B violations.**
- (A) Civil penalties for a Class B violation may not exceed \$5,000 per violation per day.
- (B) The following are Class B violations:
- (i) imposing a late fee on an affected customer for nonpayment of bills that are due during an extreme weather emergency in a manner that violates §24.173 of this title;
- (ii) including an undisclosed or noncompliant finance charge on a payment schedule issued to an affected customer under §24.173 of this title;
- (iii) failure to offer a payment schedule to an affected customer as required by §24.173 of this title; and
- (iv) any other violation of §24.173 of this title not specifically enumerated as a Class A or Class C violation.
- (3) **Class A violations.**
- (A) Penalties for a Class A violation may not exceed \$50,000 per violation per day.
- (B) It is a Class A violation to disconnect an affected customer's water or sewer service in a manner that violates §24.173 of this title.
- (4) The civil penalty for each separate violation must be in an amount not to exceed the maximum penalty established in paragraphs (1)-(3) of this subsection and not less than \$100. The amount of a civil penalty must also be based on:
- (A) the seriousness of the violation, including:
- (i) the nature, circumstances, extent, and gravity of the prohibited act; and
- (ii) the hazard or potential hazard created to the health, safety, or economic welfare of the public.
- (B) the history of previous violations;
- (C) the amount necessary to deter future violations;
- (D) efforts to correct the violation;
- (E) any other matter that justice may require, including as applicable:
- (i) the duration of the disconnection, both during the extreme weather emergency and afterwards;
- (ii) the impact of the disconnection on the health and finances of the affected customer; and
- (iii) the dollar amount of late fees issued to the affected customer, if late fees were improperly charged.

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- (F) for violations by an investor-owned utility, any other matter that justice may require, including:
 - (i) whether the disconnection was prohibited under §24.167(c) or (f) of this title (relating to Discontinuance of Service); and
 - (ii) whether the affected customer was provided proper notice of the disconnection under §24.167 of this title.